BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268–0001

PERIODIC REPORTIONG
(PROPOSALS SIXTEEN THROUGH TWENTY)

Docket No. RM2012-2

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 2
(January 19, 2012)

The United States Postal Service hereby provides responses to Questions 1

through 3 of Chairman's Information Request No. 1. Responses were sought by today.

Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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Question 1 (Proposal Seventeen)

Please provide descriptions of the activities and the operations conducted in the input subsystem (ISS), the output subsystem (OSS) and the barcoding system (BCS).

RESPONSE:

The Input Subsystem (ISS) and Output Subsystem (OSS) are components of the Remote Barcode System (RBCS) for letter-shaped mail.

The ISS "lifts" and transmits images of mailpieces for offline processing to resolve the delivery address, and applies an ID tag to the letter so that the piece can be matched to the resolved address in subsequent processing. Once the images are resolved, either by processing on remote computer readers or by data conversion operators working at remote encoding centers (RECs), the pieces must be processed through the OSS. The OSS matches the address result with the mail piece using the ID tag, applies a barcode to the address face of the piece, and performs an initial sort of the piece based on the result. Subsequent sorting is performed using Barcode Sorter (BCS) mode, in which the barcode sorting equipment (Delivery Barcode Sorter Input/Output Subsystem, DBCS/DIOSS, and Combined Input/Output Subsystem, or CIOSS) sorts the pieces based on pre-applied barcodes.[1]

On DIOSS and CIOSS equipment, ISS and OSS functions traditionally have been performed using separate processing modes on the machines.[2] The ISS/OCR and OSS modes have been associated with distinct sets of 3-digit MODS operations. In addition, DIOCSS and CIOSS equipment have a "Multimode" operating mode, which

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[1] Pieces with mailer-applied barcodes also would be processed primarily in BCS mode.

merges the ISS/OCR and OSS functions. In Multimode processing, letters requiring

offline resolution via RBCS can be re-run for OSS processing on the same equipment

without changing processing modes.[3] In Docket No. ACR2010, USPS-FY10-23,

Multimode operations are assigned to the "BCS" operation group (group numbers 7-12

in USPS-FY10-23, YRscrub2010.xls) appropriate for the sort scheme—e.g., outgoing

primary, incoming primary. Use of Multimode processing is now standard operating

procedure for the DIOSS, and is a primary operational factor behind the MODS

streamlining reflected in Proposal Seventeen.

Work activities are generally similar in the various processing modes on barcode

sorting equipment. Activities may include (see Handbook M-32, Appendix A):

1. The transport of mail to and from the operation.

2. The transport of empty equipment to set up the operation.

3. Opening containers.

4. Loading of ledge/feeder with mail.

5. Culling, facing, and orienting letters on feeder.

6. Preparing machine for processing, including but not limited to, printing labels,

labeling trays, distributing empty trays into racks, retrieving mail, etc.

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[2] The machines would normally employ a combined ISS and optical character reader (OCR) mode. In the ISS/OCR mode, the DIOSS or CIOSS initially attempts to read the address "online" using optical character recognition (OCR); it applies the barcode and performs an initial sort if the address is successfully resolved. Images of mailpieces that are not resolved by online OCR are transmitted to the ISS for additional offline processing.

[3] Consequently, a letter requiring offline address resolution would receive two handlings in a Multimode operation: an initial handling for image lift (analogous to handling in an ISS/OCR operation), and a subsequent handling for barcode application and the initial sort (analogous to handling in an OSS operation).

7. Sweeping of mail from bins.

8. Labeling, traying and containerization of mail/trays for dispatch.

9. Preparing containers for dispatch including placarding.

10. The ancillary transport of mail between operations.

Question 2 (Proposal Seventeen)

For each consolidation shown in the table on page 6 of the Petition, please
explain, in detail, the rationale for merging the ISS and OSS productivity groups
with BCS productivity groups.

RESPONSE:

The proposed consolidations in the table on Page 6 of the Petition reflect two

analytically distinct categories: consolidations of operations assigned to "ISS" groups in

USPS-FY10-23, Docket No. ACR2010, into "BCS" groups, and consolidations of

operations assigned to "OSS" groups in USPS-FY10-23 into "BCS" groups. The BCS

groups in USPS-FY10-23 encompass MODS operation numbers for BCS-mode and

Multimode processing. Within those categories, Proposal Seventeen would assign any

remaining active operations to the BCS group corresponding to the scheme of the

operation formerly assigned to an ISS or OSS group.

As explained in the response to Question 1 above, "Multimode" processing (with

MODS operations in BCS groups) is supplanting processing in distinct ISS/OCR and

OSS modes. As a result, as indicated in the response to Question 3 of Chairman's

Information Request No. 1, a number of MODS operations assigned to the ISS and

OSS operation groups in USPS-FY10-23 were discontinued either in FY 2011 or at the

start of FY 2012; the replacement MODS operation numbers, where specified, are

generally Multimode operations.

The MODS operation streamlining has a somewhat greater effect on the ISS

groups than the OSS groups, since the 27X DBCS/DIOSS OSS operation numbers are

not among the discontinued operations. However, the use of Multimode processing

effectively splits both ISS and OSS activities between the OSS and BCS operation

groups in the currently approved methodology. As of FY 2011, most ISS activity and a

substantial portion of OSS activity has shifted to Multimode processing, raising the issue

of whether remaining data in the mode-specific groups are representative. There is no

data with which to specifically identify the ISS/OCR and OSS components within

Multimode operations. Since ISS and OSS work cannot be separately identified,

Proposal Seventeen seeks to report only combined "BCS" productivities (including BCS,

Multimode, and remaining ISS/OCR and OSS operations).

Question 3 (Proposal Seventeen)

Please refer to the Postal Service's Response to Chairman's Information
Request No. 1, question 6. Please provide the supporting workpapers used to
calculate column [B] of Tables 1 and 2, specifically:

a.   The Order No. 741 First-Class Mail presort letters mail processing cost
        model updated with Proposal Seventeen ISS and OSS productivity values.

b.   The Order No. 741 Standard Mail presort letters mail processing cost
        model updated with Proposal Seventeen ISS and OSS productivity values.

RESPONSE:

(a)   Please see ChIR2Q3a.xls, filed with this response.

(b)   Please see ChIR2Q3b.xls, filed with this response.